

[By Carlo Munoz](#)

The Defense Department's top investigator overseeing Afghanistan reconstruction is looking into how and why Kabul has been taxing American companies supporting the reconstruction effort.

The DOD audit investigation by the Special Inspector General for Afghanistan Reconstruction (SIGAR) has been a long time coming for two House lawmakers.

"This is a step in the right direction. We're hopeful this audit will and bring to an end the absurd practice by the Afghan government of taxing America's effort to rebuild their country," Reps. Peter Welch (D-Vt.) and Walter Jones (R-N.C.) said in a joint statement issued Wednesday.

"While such behavior may make sense in [Afghan President] Hamid Karzai's world, it makes no sense to the American taxpayer," according to the statement.

The audit will focus on "supplies, materials, equipment or other property imported into or acquired within Afghanistan under U.S. contracts" financed by the Pentagon and State Departments, according to the DOD office.

Specifically, SIGAR investigators will be looking for instances where those U.S.-funded goods or services have been subjected "to tariffs, customs duties, and other taxes or similar charges by the Afghan government," according to DOD.

The issue first appeared on lawmakers' radar in 2011, when news broke that Afghan authorities were threatening to arrest American contractors and confiscate property belonging to those U.S. firms due to non-payment of Afghan taxes.

Last December, Welch and Jones introduced legislation barring future assistance to Afghanistan unless U.S. contractors and subcontractors delivering aid are exempt from taxation by the government of Afghanistan.

Both members were able to insert a version of that legislation as an amendment to the House version of the fiscal 2013 Defense budget bill. The full House approved the DOD spending plan in May.